

## Credit Agricole Money Market Fund 3

### Quarterly Report – Q2-2016

#### Fund's Performance

The Fund achieved annualized returns of 9.04% net of fees and tax by the end of 2Q2016. In comparison, the one-year treasury-bill yield reached an average of 11.34% and money market funds in the market achieved an average return of 8.96% over the same period.

#### Economy & Market Outlook

The money markets witnessed heightened volatility throughout the second quarter of 2016 with yields fluctuating within a range of 0.4%. Investors started the quarter focusing on shorter term bills in anticipation of further interest rates hike during the 2<sup>nd</sup> quarter of the year. And during the last month of the quarter, the Monetary Policy Committee (MPC) increased the overnight deposit and lending interest rates by an additional 1.0% to 11.75% and 12.75% respectively. In addition, inflationary pressures as well as currency devaluation expectations continued to push the yields up. Accordingly, the 3 months, 6 months, 9 months and 1 year treasury bills closed 2Q2016 with an average net of tax of 11.17%, 11.93%, 12.07%, and 12.15%.

On the economic front, UAE announced an aid package to Egypt amounting to USD4.0 billion, of which USD2.0 billion will be kept as a deposit with the Central Bank of Egypt (CBE), and the remaining USD2.0 billion will be invested in developmental projects. Egypt also signed several economic agreements with Saudi Arabia in the fields of electricity, trade and manufacturing in addition to real estate. Both countries also agreed to construct a bridge over the Red Sea connecting the two nations in order to facilitate trade and transportation between Egypt and Saudi Arabia. Moreover, the government approved the new Value Added Tax (VAT) law to replace the sales tax law as part of the country's economic reform program. Headline inflation reached 12.3% in May 2016 compared to 10.27% in April 2016. This is the highest inflation figure since May 2015. Egypt's Net International Reserves increased by 3.0% during May 2016 reaching USD17.52 billion up from USD17.01 in April 2016. This improvement is mainly attributed to higher foreign currency deposits placed at local banks.

#### Investment Strategy

In line with the fund manager's expectations, the Monetary Policy Committee increased interest rates during the quarter however higher than market expectations. The fund is well positioned to take advantage of the interest rate hike and the investment manager will start building on durations selectively as further interest rate hikes and currency devaluation are expected.



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### Fund's Performance

Returns	Credit Agricole MMF (YTD ann.)
Q2-2016	9.04%
Q1-2016	8.36%
YTD Since (31-12-2015)	8.80%
2015	8.68%
2014	8.70%
2013	10.77%
2012	11.50%
2011	8.47%
2010	8.21%
2009	7.72%
2008	7.72%
2007	8.82%
2006	8.40%
2005	10.52%
2004	9.33%
2003	9.50%
2002	10.60%
1999 - 2001	11.86%
Since Inception (Annualized)	9.47%
Since Inception	364.98%

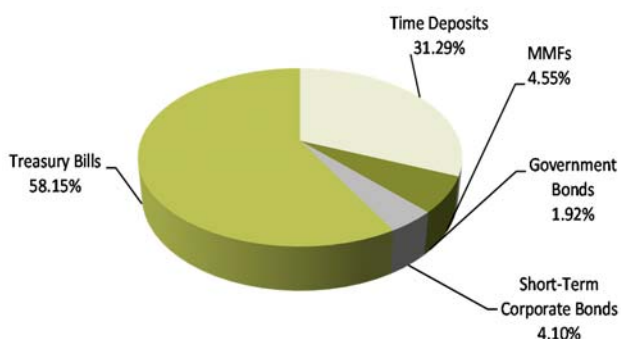
### Fund Information

IC Price (30/06/16) <b>EGP 1043.74</b>	Subscription/Redemption <b>Daily (No Fees) until 12 PM</b>
Fund Size (30/0/16) <b>EGP 655,350,731</b>	Fund Management <b>EFG-Hermes Asset Management</b>
Duration (30/06/16) <b>Days 95.37</b>	Fund Manager <b>Khalil El Bawab</b>
Dividends Distributed Since Inception <b>EGP 1589</b>	Assistant fund Manager <b>Yehya Abdel Latif</b>
Inception Date <b>24 June 1999</b>	Reuters Lipper Code <b>65077566</b>
Inception Price <b>EGP 1000</b>	Bloomberg Ticker <b>EFGCI1</b>

### Relative Performance (%)

Deposits Vs CA MMF	2007	2008	2009	2010	2011	2012	2013	2014	2015	Q1 2016	Q2 2016
3M Deposits avg. in CBE	5.90%	6.50%	6.55%	6.20%	6.69%	7.60%	7.69%	7.00%	6.94%	6.90%	7.27%
CA MMF Performance	8.82%	7.72%	7.72%	8.21%	8.47%	11.50%	10.77%	8.70%	8.68%	8.36%	9.04%

### Top Holdings



### Performance

